

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

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File No.: 001.9486.A13709.010

Dale E. Bonner, Secretary
Business, Transportation and Housing Agency
980 9th Street, Suite 2450
Sacramento, CA 95814-2719

Dear Secretary Bonner:

In accordance with the Financial Integrity and State Managers Accountability Act of 1983, Government Code Sections 13400 through 13407, I am submitting the enclosed report describing the review of the California Highway Patrol's (CHP) systems of internal control for the biennial period ending December 31, 2009.

The enclosed documents describe the process implemented by the CHP to complete this review as well as areas of weakness noted.

Additionally, as required by the Department of Finance, the CHP evaluated its compliance with Government Code Section 12439 as it pertains to positions which have been vacant for six consecutive monthly pay periods.

Furthermore, in accordance with the Governor's Executive Order S-20-09 to increase government transparency, this report will be posted on the CHP's Internet website, and on the Office of the Governor's webpage, located on the State's Government website.

Should you have any questions please contact me or Assistant Commissioner Max Santiago at (916) 843-3005.

Sincerely,

A handwritten signature in black ink, appearing to read "J. A. Farrow".

J. A. FARROW
Commissioner

Enclosures

EVALUATION OF INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL SYSTEM

AGENCY NAME: Business, Transportation and Housing Agency
DEPARTMENT NAME: California Highway Patrol
ORGANIZATION CODE: 2720

INTRODUCTION:

In accordance with the Financial Integrity and State Managers Accountability Act of 1983, the California Highway Patrol (CHP) submits this report regarding the review of its systems of internal control for the biennial period ended December 31, 2009.

BACKGROUND:

To ensure the CHP's operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspections (OISP), Audits Unit, to perform an audit of a command selected by each Division. A total of 16 commands, including one Division and 15 Areas were audited in 2008. These audits will assist the CHP in meeting its goal.

The CHP's 2008-2009 Strategic Plan highlights the organization's mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to increase the efficiency and/or effectiveness of departmental operations.

The objective of the audit was to determine if the command has complied with operational policies and procedures that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audits period generally took place 12 months prior to the start of the audit field work. The audits included the review of existing policies and procedures, as well as, examining and testing recorded transactions, in order to determine compliance with the same as well as with good business practices.

VACANT POSITION:

As requested by the Department of Finance, the CHP evaluated its compliance with Government Code Section 12439 as it pertains to vacant positions.

RISK ASSESSMENT:

The OISP, Audits Unit, completed a risk assessment and determined the following topical areas have the potential for significant risk: cash receipts, contracts, evidence, purchasing, reimbursable service contracts, advanced payments for predetermined services, asset forfeiture,

fleet operations, personnel records, and strategic plan reporting. Each Division commander selected one command to be audited within their command. Each selected command was audited regarding their cash receipts, contracts, evidence, purchasing, reimbursable service contracts, and advanced payments for predetermined services. Furthermore, the Division commander could select any of the additional following topical areas to be audited: Asset forfeiture, fleet operations, personnel records, and strategic plan reporting. When preparing for the audit and due to limited auditing resources, reimbursable service contracts was reduced to an examination of the Driving Under the Influence Cost Recovery Program and advanced payments for predetermined services was reduced to Wide Load Services. Also, the audit of evidence was limited to guns, drugs, and money. Additionally, the Office of the Academy was selected by the OISP for a random audit. The areas of weakness are contained in Enclosure 2.

With the establishment of the Office of the Assistant Commissioner, Inspector General (ACIG) in May 2008, the Commissioner directed the ACIG to create departmental policy for the establishment of a comprehensive command inspection process. The inspection process includes checklists on specific topics; (e.g., evidence, fiscal controls, reimbursable services, overtime and grant management). In 2009, all CHP commands completed at least four self-inspections. Two of the self-inspections were mandated by the Commissioner and consisted of Command Reimbursable Services and Command Overtime and Grant Management. The other two self-inspections consisted of topical areas assigned by the respective Division commanders. Additionally, the Commissioner directed the OISP, Inspections Unit, to inspect all CHP commands' evidence rooms. The areas of weakness are contained in Enclosure 3.

State Administrative Manual Section 8652 requires Departments to conduct a physical count of all state owned property and reconcile the count with accounting records at least once every three years. The CHP's commands conducted a physical count at least once a year. Additionally, in 2009, the CHP performed statistically valid property inspections of randomly selected commands throughout the state in order to provide independent verification and reasonable assurance to the Office of the Commissioner that CHP inventory records are complete and accurate. Some discrepancies were noted; however, the discrepancies were being resolved within 90 days from the date of the inspection report with few exceptions.

CONCLUSION:

Based on the review of the CHP's command system of internal control, the CHP has determined it has adequate internal controls in place to safeguard state assets.

**EVALUATION OF INTERNAL ACCOUNTING AND
ADMINISTRATIVE CONTROL SYSTEM
FROM AUDITS**

EVALUATION OF RISKS AND CONTROLS:

Cash Receipts

Issue 1: Two commands did not always submit Weekly Transmittal Reports (CHP 230) to Fiscal Management Section (FMS) within the required time frame.

Corrective Action: The commands are ensuring they comply with departmental policy by submitting their CHP 230 forms timely. Commands are required to provide quarterly updates to the Office of Inspections (OISP) on the progress of their corrective action plan until the deficiencies are resolved.

Issue 2: Three commands did not always properly complete and maintain all required documents within their CHP 230 files.

Corrective Action: The commands are ensuring they comply with departmental policy by completing and maintaining all required information (i.e., witness fee deposit; attorney's name, address, phone number; defendant or plaintiff the attorney is representing; subpoenaed employee's name and identification number; court name and number; and a copy of the subpoena with photocopies of the check and counter receipt) within their CHP 230 files. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 3: A command allowed more than one person access to the transmittal funds.

Corrective Action: The command is ensuring it complies with departmental policy by localizing accountability of transmittal funds to one employee. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 4: Three commands did not replenish their petty cash funds when receipts totaled more than \$10; or at a minimum, at least quarterly.

Corrective Action: The commands are ensuring they comply with departmental policy by preparing and authorizing the Reimbursement of Petty Cash (CHP 264) when receipts totaled more than \$10; or at a minimum, at least quarterly.

Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 5: **Two commands did not consistently perform unscheduled petty cash account reconciliations quarterly.**

Corrective Action: The commands are ensuring they comply with departmental policy by performing petty cash account reviews quarterly. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Contracts

Issue 1: **Three commands did not always maintain their contract files.**

Corrective Action: The commands are ensuring they comply with departmental policy by properly maintaining their contract files. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 2: **Seven commands did not always maintain all required information such as the Drug Free Workplace Certification (STD. 21), Payee Data Record (STD. 204), and the Small Business Certification for their emergency service (X-number) contract files.**

Corrective Action: The commands are ensuring they comply with departmental policy by maintaining required X-number contract files. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 3: **Three commands obtained services prior to the approval of the nonemergency contracts and X-number contracts.**

Corrective Action: The commands are ensuring they comply with departmental policy by obtaining final approval prior to the start date of their nonemergency contracts and X-number contracts before obtaining services. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Evidence

Issue 1: **A command did not properly process evidence documents within the required time frame such as a court officer not providing adjudicated court records to the command's evidence office in a timely manner.**

Corrective Action: The command is ensuring it complies with departmental policy by allowing the court officer to forward the adjudicated court records to the command's evidence officer within two days of receipt. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 2: **A command did not identify a storage location for flammable/explosive evidence items.**

Corrective Action: The command is ensuring it complies with departmental policy by possibly reconfiguring a section in one of the locked containers located on the premises in order to utilize if needed. Arrangements for the storage of flammable and explosive items were made with a local fire department, and bomb squad, or in a storage room separate from the evidence storage facility. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 3: **A command did not properly update and maintain its evidence data base.**

Corrective Action: The command is ensuring it complies with departmental policy by properly updating and maintaining its evidence database. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 4: **A command's disposal of an evidence item (gun) was not in compliance with departmental policy and it did not maintain a control log for the weapon's disposal.**

Corrective Action: The command is ensuring it complies with departmental policy by disposing evidence (gun) timely and maintaining a control log for weapon disposal. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Purchasing

Issue 1: **Six commands did not always update and maintain their memorandums designating staff authorized to approve Purchase Requisitions (CHP 43).**

Corrective Action: The commands are ensuring they comply with departmental policy by designating personnel authorized to sign CHP 43. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 2: Four commands did not always maintain all of their purchase order files.

Corrective Action: The commands are ensuring they comply with departmental policy by maintaining all of their purchase order files. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Reimbursable Services, Driving Under the Influence (DUI) Cost Recovery Program

Issue 1: Five commands did not always ensure the accuracy of their DUI Cost Recovery Program documents.

Corrective Action: The commands are ensuring they comply with departmental policy by ensuring the accuracy of their DUI Cost Recovery Program documents as well as verifying the number of staff hours claimed on the Incident Response Reimbursement Claim (CHP 735) with the Daily Field Record (CHP 415) to substantiate the hours billed. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 2: A command did not always submit DUI Cost Recovery billing packages (CHP 735) timely to FMS.

Corrective Action: The command is ensuring it complies with departmental policy by submitting DUI Cost Recovery billing packages to FMS within 10 business days of the date blood alcohol concentration results were received. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Reimbursable Services, Wide Load Services

Issue 1: A command provided Wide Load Escort reimbursable services without obtaining advance payment from vendors prior to providing services.

Corrective Action: The command is ensuring it complies with departmental policy by providing services after obtaining advance payment from vendors. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 2: A command did not always submit its Wide Load Escort reimbursable services billing packages to FMS in a timely manner.

Corrective Action: The command is ensuring it complies with departmental policy by submitting their Wide Load Escort reimbursable services billing packages to FMS timely. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 3: **A command did not always maintain complete or accurate Wide Load Escort reimbursable services files.**

Corrective Action: The command is ensuring it complies with departmental policy by maintaining complete or accurate their Wide Load Escort reimbursable services files. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Asset Forfeiture

Issue 1: **Two commands did not provide Asset Forfeiture Training to affected personnel at least once a year.**

Corrective Action: The commands are ensuring they comply with departmental policy by providing Asset Forfeiture Training to affected personnel at least once a year. Commands are required to provide quarterly updates to the Office of Inspections on the progress of their corrective action plan until the deficiencies are resolved.

Issue 2: **A command did not prepare quarterly Asset Forfeiture reports and did not submit them to their respective Division.**

Corrective Action: The command is ensuring it complies with departmental policy by preparing quarterly status reports and by submitting them to their respective Division. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 3: **A command did not properly review or authorize the Asset Forfeiture Log.**

Corrective Action: The command is ensuring it complies with departmental policy by reviewing and authorizing the Asset Forfeiture Log. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 4: **A command did not always forward Asset Forfeiture case file documents timely to their respective Division.**

Corrective Action: The command is ensuring it complies with departmental policy by submitting their Asset Forfeiture case file documents timely to the respective Division. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Fleet Operations

Issue 1: **A command did not always consistently perform a 5,000-mile inspection of each vehicle according to policy.**

Corrective Action: The command is ensuring it complies with departmental policy by performing at a minimum, a 5,000-mile inspection of each vehicle according to policy. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 2: **A command supervisor/commander did not review or sign the Automotive Delegation Control Log (CHP 316A) forms.**

Corrective Action: The command is ensuring it complies with departmental policy by having the command supervisor/commander review and sign the CHP 316A forms. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 3: **A command did not perform a regular inspection to locate any leaks in the gasoline dispenser, the water and air wells, and the paved areas adjacent to the service station.**

Corrective Action: The command is ensuring it complies with departmental policy by performing a regular inspection to locate any leaks in the gasoline dispenser, the water and air wells, and the paved areas adjacent to the service station. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 4: **A command's Emergency Action Plan did not contain a backup plan to obtain a ready source of fuel if its fuel dispenser becomes inoperable.**

Corrective Action: The command is ensuring it complies with departmental policy by having it's Emergency Action Plan containing a backup plan to obtain a ready source of fuel if its fuel dispenser becomes inoperable. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 5: A command's Standard Operating Procedures (SOP) did not include gasoline/fuel safety guidelines.

Corrective Action: The command is ensuring it complies with departmental policy by including gasoline/fuel safety guidelines within their SOP. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 6: A command did not maintain a monthly gasoline summary.

Corrective Action: The command is ensuring it complies with departmental policy by maintaining a monthly gasoline summary. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 7: Four commands did not perform a quarterly physical inventory of all vehicle parts, accessories, and fluids.

Corrective Action: The commands are ensuring they comply with departmental policy by designating a person to conduct a quarterly physical inventory. The designee is someone other than the person who receives or dispenses items of inventory such as all vehicle parts, accessories, and fluids. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 8: A command did not always dispose of the accumulated vehicle junk batteries in a timely manner.

Corrective Action: The command is ensuring it complies with departmental policy by implementing measures that ensure no more than five junk batteries are accumulated before being disposed. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 9: A command did not have adequate controls over its distribution of gasoline.

Corrective Action: The command is ensuring it complies with departmental policy by having adequate controls over its distribution of gasoline. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 10: A command did not always maintain the Driver's Equipment Check (CHP 33) documents for its vehicle fleet.

Corrective Action: The command is ensuring it complies with departmental policy by maintaining the CHP 33 documents for its vehicle fleet. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 11: **A command did not have the county perform flow testing of the command's fuel pumps.**

Corrective Action: The command is ensuring it complies with departmental policy by installing the new tank system and have the county perform flow testing of the fuel pumps. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Issue 12: **A command's Vehicle Allocation (CHP 468) packages were not completed or forwarded annually to the Fleet Operations Section (FOS).**

Corrective Action: The command is ensuring it complies with departmental policy by completing CHP 468 packages with supporting documents and by forwarding the packages to the respective Division by June 1, annually. The Division then forwards their CHP 468 packages to FOS by June 30 of each year. The command is required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiency is resolved.

Personnel Records

Issue 1: **Two commands did not always review their employees' records annually.**

Corrective Action: The commands are ensuring they comply with departmental policy by reviewing, updating, and maintaining their employees' records annually. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 2: **Four commands did not always replace employee's photographs with updated photographs every five years within their personnel files.**

Corrective Action: The commands are ensuring they comply with departmental policy by replacing employees' photographs with updated photographs every five years within their personnel files. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

**EVALUATION OF INTERNAL ACCOUNTING AND
ADMINISTRATIVE CONTROL SYSTEM
FROM INSPECTIONS**

EVALUATION OF RISKS AND CONTROLS:

Evidence

Issue 1: **Several commands did not always purge their evidence items (e.g., unclaimed property, unclaimed monies) in a timely manner.**

Corrective Action: The commands are ensuring they comply with departmental policy by designating special duty evidence officers to purge evidence items on a weekly basis. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 2: **Several commands did not always purge their firearms for destruction in a timely manner.**

Corrective Action: The commands are ensuring they comply with departmental policy by setting up a suspense system to prompt purge firearms on a quarterly basis. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 3: **Several commands did not always properly package or store their evidence items (e.g., controlled substances). The evidence items that are not properly packaged can cause serious health threats.**

Corrective Action: The commands are ensuring they comply with departmental policy by training personnel responsible for evidence storage how to package evidence items properly. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 4: **Several commands did not always properly complete, update, and maintain accurate their evidence Area Information System (AIS) Logs evidence records.**

Corrective Action: The commands are ensuring they comply with departmental policy by providing proper evidence training to personnel responsible for evidence storage (uniformed and non-uniformed) including how to properly complete, update and maintain AIS Logs as well as purging or archiving closed case files beyond the five year retention period. Commands are

required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 5: **Several commands did not always properly provide proper evidence training to personnel responsible for evidence storage as required by departmental policy.**

Corrective Action: The commands are ensuring they comply with departmental policy by providing proper evidence training to personnel involved in handling evidence in order to help them better understand their role in the evidence process. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 6: **Several commands did not always properly complete evidence information on the Evidence Property Logs (CHP 36B) with the proper authorization.**

Corrective Action: The commands are ensuring they comply with departmental policy by recording the net and gross weight of controlled and suspected substances on the CHP 36B forms with the proper authorization by the supervisor. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 7: **Several commands did not always properly mark and seal their evidence items.**

Corrective Action: The commands are ensuring they comply with departmental policy by properly marking (e.g., investigator's initial, identification number, suspect's name [if known,] the date the evidence was collected) and sealing their evidence items. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 8: **Several commands did not always conduct a quarterly evidence review/inventory.**

Corrective Action: The commands are ensuring they comply with departmental policy by setting up a suspense system to ensure a quarterly review/inventory is conducted and each CHP 36 form is authorized by a supervisor. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 9: **In several commands the evidence officer performed multiple jobs and one of the jobs includes working part time in the field. According**

to departmental policy, the evidence officer should not be an active field officer or investigator involved in collecting evidence in the field.

Corrective Action: The commands are ensuring they comply with departmental policy by ensuring the evidence officer's assignment is the only special duty position held by the officer. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 10: **Several commands stored flammable/explosive evidence items in the evidence rooms.**

Corrective Action: The commands are ensuring they comply with departmental policy by storing flammable and explosive items at the local fire department, with the local bomb squad or in a storage room separate from the evidence storage facility. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 11: **In several commands, some evidence items were not available for inspection. The items consisted of cash, computer equipment, guns, magazines, ammo, gas can, vehicles, and marijuana.**

Corrective Action: The commands are ensuring they comply with departmental policy by ensuring each case status is accurately tracked, recorded, and updated the AIS Log. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 12: **Several commands did not always have a system in place to verify if evidence items were destroyed locally or if destroyed at all.**

Corrective Action: The commands are ensuring they comply with departmental policy by photographing each evidence item before destruction; the evidence supervisor witness the destruction; and signs the CHP 36 forms. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 13: **Several commands did not always complete the Medical Waste Tracking Form (CHP 36E).**

Corrective Action: The commands are ensuring they comply with departmental policy by completing the CHP 36E forms when transporting biological hazardous waste items for destruction. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 14: Several commands did not always process evidence timely. Specifically, the evidence items were left in temporary lockers for longer than allowed by policy.

Corrective Action: The commands are ensuring they comply with departmental policy by processing evidence after no more than one day after its submittal for processing, excluding weekends and holiday(s) and that they not temporarily store evidence items in an evidence locker, personal locker or unauthorized location. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 15: Several commands did not always consistently complete the reverse side of the Card Stock (CHP 36C) forms.

Corrective Action: The commands are ensuring they comply with departmental policy by completing the reverse side of the CHP 36C forms whenever custody of evidence is transferred to another party (the CHP 36C shall be completed by the transferring employee and signed by the person receiving custody of the evidence). Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 16: Several commands expressed concern about the use of the bar code scanner.

Corrective Action: The commands are ensuring they comply with departmental policy by providing bar code scanner training to personnel responsible for evidence storage so they become more familiar with the bar code scanner device. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Reimbursable Services

Issue 1: Several commands did not always ensure the accuracy of their DUI Cost Recovery Program documents.

Corrective Action: The commands are ensuring they comply with departmental policy by itemizing the accurate staff hours charged on the Incident Response Reimbursement Statement (CHP 735) with the Daily Field Record (CHP 415). Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Grant Management

Issue 1: Several commands did not always properly complete the Price Comparison Worksheet (CHP 315), which could result in excess charges to the CHP.

Corrective Action: The commands are ensuring they comply with departmental policy by obtaining at least two price quotes for state purchases and properly completing the CHP 315 forms. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

Issue 2: Several commands did not always properly complete accurate billing memorandums. This could result in inaccurate reconciliation of invoices and contract numbers.

Corrective Action: The commands are ensuring they comply with departmental policy by making sure sequential numbers are accounted for when reconciling invoices with the contract numbers. Commands are required to provide quarterly updates to the OISP on the progress of their corrective action plan until the deficiencies are resolved.

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

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(800) 735-2922 (Voice)



File No.: 001.9486.A13709.010

Ana J. Matosantos, Director
Department of Finance
915 L Street
Sacramento, CA 95814

Dear Director Matosantos:

In accordance with Government Code Section 13405(c), the California Highway Patrol (CHP) submits its plan and schedule for correcting the identified issues reported in its 2009 Financial Integrity and State Manager's Accountability Act review report. The attached Corrective Action Plan contains the issues identified, corrective actions taken, corrective actions to be taken, and date of action/planned action. The CHP plans to have its internal auditors and inspectors from the Office of Inspections conduct follow-up reviews by the end of calendar year 2011.

If you have any questions, please contact Captain Ernie Sanchez or Mr. Roger Ikemoto, Senior Management Auditor at (916) 843-3160.

A handwritten signature in black ink, appearing to read "J. A. Farrow".

J. A. FARROW
Commissioner

Attachment

cc: Business, Transportation and Housing, Agency Secretary
Office of Assistant Commissioner, Field
Office of Assistant Commissioner, Inspector General
Office of Assistant Commissioner, Leadership Development and Communications
Office of Assistant Commissioner, Staff
Office of Inspections, Audits Unit

INTERNAL CONTROL ISSUES MATRIX

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<u>AUDITS</u>			
Cash Receipts			
Two commands did not always submit Weekly Transmittal Reports (CHP 230) to Fiscal Management Section (FMS) within the required time frames.	The commands purchased money orders prior to submitting the transmittal for approval and developed a weekly suspense system to complete and submit the CHP 230 forms timely to FMS.	The supervisors responsible for CHP 230 submission will ensure proper implementation of procedures and the weekly suspense system.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Three commands did not always properly complete and maintain all required documents within their CHP 230 files.	A checklist was developed to ensure that each step in the CHP 230 process has been completed. Uniformed staff and managers provided policies and procedures training to employees for proper completion and maintenance of CHP 230 forms and supporting documents (e.g., counter receipts, witness fee deposit information, subpoenaed employee's name and identification number, court name, and defendant's or plaintiff name).	Command's managers and supervisors will continue monitoring the CHP 230 process.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
A command allowed more than one person access to the transmittal funds.	The command limited access to transmittal funds to only one person at any one time.	The command is planning to rewrite vague sections of their Standard Operating Procedures (SOP) to ensure clarification regarding accountability of transmittal funds.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Three commands did not replenish their petty cash funds when receipts totaled more than \$10; or at a minimum, at least quarterly.	To ensure compliance, the manager conducts spot inspections to ascertain petty cash fund balances to preclude a future recurrence of this issue.	The supervisor will follow-up on a monthly basis to ensure the commands are in compliance.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Two commands did not consistently perform unscheduled petty cash account reconciliations quarterly.	The commands conducted surprise petty cash inspections each quarter.	The commands will add the "surprise/unannounced" wording to their reporting memorandum for clarification.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Contracts			
Three commands did not always maintain their contract files.	The commands discussed this issue with staff responsible for maintaining copies of contracts and provided training to ensure they comply with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<p>Seven commands did not always maintain all required information such as the Drug Free Workplace Certification (STD. 21), Payee Date Record (STD. 204), and the Small Business Certification for their emergency service (X - Number) contract files.</p>	<p>The commands developed a checklist to ensure that each step in the contract file process has been completed. The commands also created a binder to be kept in the clerical unit for all records pertaining to contracts.</p>	<p>The commands will utilize an X-Number checklist for proper completion of the contract file that will be routed through the chain of command for approval; a copy of all paperwork will be maintained in the command's Administrative files; and the manager will direct all supervisors to review vendor information and adhere to retention requirements contained in departmental policy. Additionally, the Clerical Unit supervisor will ensure completed forms are obtained from the vendor prior to approval of the X Number Service Order (CHP 78X).</p>	<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<p>Three commands obtained services prior to the approval of the non-emergency contracts and X-number contracts.</p> <p>Evidence</p> <p>A command did not properly process documents within the required time frame such as a court officer not providing adjudicated court records to the command's evidence office in a timely manner.</p>	<p>The commands provided training to personnel responsible for X-Number contracts form preparation.</p>	<p>The commands will update their SOP to reflect the proper timeline required to ensure that all standard contracts are processed correctly and all contract requests (CHP 78) will be submitted nine months prior to a project's start date and suspended until the signed Standard Agreement (STD 213) and Agreement Summary (STD 215) documents are received from the Contract Services Unit.</p> <p>The command is working with the courts to develop a system of notification to ensure proper processing of documents within the required time frame.</p>	<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p> <p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
A command did not identify a storage location for flammable/explosive evidence items.		The command is researching the possibility of reconfiguring a section within one of their locked containers located on the premises to utilize in the event storage of flammable/explosive evidence is needed. The command does not currently possess any items in evidence that meets the flammable/explosive criteria.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not properly update and maintain its evidence database.	The command expanded the use of the Area Information System (AIS) database and began to update and streamline its evidence process.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<p>A command's disposal of an evidence item (gun) was not in compliance with departmental policy and it did not maintain a control log for the weapon's disposal.</p>		<p>The command will ensure all weapons eligible for destruction will be sent to the Academy Weapons Control Unit within the last month of each quarter as described in policy. The command also developed a control log for weapon (gun) disposal. The command will closely monitor weapons eligible for destruction and the status of the control log during the Quarterly Area Evidence reviews.</p>	<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>
<p>Purchasing</p> <p>Six commands did not always update and maintain their memorandums designating staff authorized to approve Purchase Requisition (CHP 43).</p>	<p>The commands are using a new program where the approvers are preprogrammed into the system. Additionally, the commands placed a suspense system in place to track the designated staff authorized to approve purchases.</p>	<p>A memorandum will be prepared when the designated staff authorized to approve purchases changes. Additionally, a procedural memorandum stating the commander or designated staff's signature is required for all purchase requests. This memorandum will be updated quarterly as a suspense item.</p>	<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
Four commands did not always maintain all of their purchase order files.	The commands installed a new process placing a hard copy of the CHP 43 into the Administrative Assistant's office binder. An electronic copy of the CHP 43 is also kept on file.	The commands will ensure supporting documents are attached to each purchase order and copies of all paperwork will be maintained in the commands' Administrative files.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Reimbursable Services, Driving Under the Influence (DUI) Cost Recovery Program			
Five commands did not always ensure the accuracy of their DUI Cost Recovery Program documents.	The commands implemented an additional level of review by requiring a Sergeant review the DUI forms [e.g., Incident Response Reimbursable Statement (CHP 735) and Daily Field Record (CHP 415)]. The documents are also reviewed by the Commander or Executive Lieutenant when signing the CHP 735 for transmittal. Furthermore, the commands revised their SOP and provided training to officers to ensure compliance with departmental policy by attaching a copy of all CHP 415 associated with each CHP 735.	The commands are currently working to implement a program/checklist procedure to ensure accuracy.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<p>A command did not always submit DUI Cost Recovery billing packages (CHP 735) timely to FMS.</p>	<p>The command discussed proper procedures and timely submission of the CHP 735 at their quarterly meeting. They also created a matrix to track the pending cases to ensure all CHP 735s are completed in a timely manner.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>
<p>Reimbursable Services, Wide Load Escort Services</p>			
<p>A command provided Wide Load Escort reimbursable services without obtaining advance payment from vendors prior to providing services.</p>	<p>The command provided training to staff to ensure compliance with departmental Wide Load Escort Services policy.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>
<p>A command did not always submit its Wide Load Escort reimbursable services billing packages to FMS in a timely manner.</p>	<p>The command provided training to staff to ensure compliance with departmental billing package submission policy.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<p>A command did not always maintain complete or accurate Wide Load Escort reimbursable services files.</p> <p>Asset Forfeiture</p>	<p>The command provided training to ensure compliance with departmental Wide Load Escort reimbursable services files policy.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>
<p>Two commands did not provide Asset Forfeiture Training to affected personnel at least once a year.</p>	<p>The commands provided Asset Forfeiture training to affected personnel.</p>	<p>The commands will provide annual Asset Forfeiture training to all command staff (uniformed and affected non-uniformed personnel).</p>	<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>
<p>A command did not prepare quarterly Asset Forfeiture reports and did not submit them to their respective Division.</p>	<p>The command took corrective measures to ensure quarterly reports are prepared and submitted to their Division.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>
<p>A command did not properly review or authorize the Asset Forfeiture Log.</p>	<p>The command took corrective measures to ensure the Asset Forfeiture Log is properly reviewed or authorized.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<p>A command did not always forward Asset Forfeiture case file documents timely to the respective Division.</p> <p>Fleet Operations</p> <p>A command did not always consistently perform a 5,000-mile inspection of each vehicle according to policy.</p> <p>A command supervisor/commander did not review or sign the Automotive Delegation Control Log (CHP 316A) forms.</p>	<p>The command took corrective measures to ensure the Asset Forfeiture case files are forwarded to the Division in a timely manner.</p> <p>The command provided training to both the Administrative Lieutenant and Automotive Technicians to ensure the command's Fleet Operations 5,000 mile inspections are compliant with departmental policy.</p> <p>The command supervisor/commander were reminded to review and sign the CHP 316A forms to ensure compliance with departmental policy.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p> <p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p> <p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
A command did not perform a regular inspection to locate any leaks in the gasoline dispenser, the water and air wells, and the paved areas adjacent to the service station.	The command provided training to both the Administrative Lieutenant and Automotive Technicians to ensure the command performs Fleet Operations inspections to locate leaks and ensure the paved areas adjacent to the service station are compliant with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command's Emergency Action Plan (EAP) did not contain a backup plan to obtain a ready source of fuel if its fuel dispenser becomes inoperable.		The command will update its EAP advising personnel to fuel at the command's Fleet Operations or other commands, whichever is closest to their location, in the event the fueling system at their command fails.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command's SOP did not include gasoline/fuel safety guidelines.		The command will add the required information during the next revision to the command's SOP, which is underway.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
A command did not maintain a monthly gasoline summary.	The command provided training to both the Administrative Lieutenant and Automotive Technicians to ensure the command maintains a monthly gasoline summary compliant with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Four commands did not perform a quarterly physical inventory of all vehicle parts, accessories, and fluids.	The commands provided training to both the Administrative Lieutenant and Automotive Technicians to ensure the command performs a quarterly physical inventory of all vehicle parts, accessories, and fluids, and that they are compliant with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not always dispose of the accumulated vehicle junk batteries in a timely manner.	The command took corrective measures and implemented departmental policy that no more than five vehicle junk batteries can be accumulated before being disposed.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not have adequate controls over its distribution of gasoline.		The command will install cardreaders on each pump allowing gasoline dispensing only when a card assigned to a departmental vehicle is used.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
A command did not always maintain the Driver's Equipment Check (CHP 33) documents for its vehicle fleet.	The command provided training to affected personnel regarding this issue.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not have the county perform flow testing of the command's fuel pumps.	The command prepared a new suspense form to ensure the Automotive Service Mechanic contacts the county to perform flow testing of the command's fuel pump annually.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command's Vehicle Allocation (CHP 468) packages were not completed or forwarded annually to the Fleet Operations Section.		The command will complete the CHP 468 and will submit to the Division no later than June 1st each year.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<p>Personal Records</p> <p>Two commands did not always review their employees' records annually.</p> <p>Four commands did not always replace employee's photographs with updated photographs every five years within their personnel files.</p>	<p>The commands advised supervisors to compile a list of personnel whose photos need to be updated. A checklist is created to ensure all requirements are met.</p>	<p>The command has developed a suspense system and will e-mail the responsible supervisor with a carbon copy to the Area Commander when a personnel evaluation is due. The e-mail will also indicate the date by which the evaluation must be completed and submitted for review by the Commander. Additionally, the commands' staff will send out a monthly updated roster list of employees by anniversary date to ensure that evaluations are completed on time. The list is updated on a monthly basis and reported to the Commander.</p> <p>The commands' supervisors will review the Annual Field Personnel Form (CHP 137C) to ensure employees' photographs are updated every five years.</p>	<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p> <p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<u>INSPECTIONS</u>			
Evidence			
Several commands did not always purge their evidence items (e.g., unclaimed property, unclaimed monies) in a timely manner.		The commands will designate special duty evidence officers to purge evidence items on a weekly basis.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands did not always purge their firearms for destruction in a timely manner.		The commands will set up a suspense system to prompt purge firearms on a quarterly basis.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands did not always properly package or store their evidence items (e.g., controlled substances). The evidence items that are not properly packaged can cause serious health threats.		The commands will train personnel responsible for evidence storage how to package evidence items properly.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
Several commands did not always properly complete, update, and maintain accurate their evidence AIS Logs evidence records.		The commands will provide proper evidence training to personnel responsible for evidence storage (uniformed and non-uniformed) including how to properly complete, update and maintain their evidence AIS Logs, as well as, purging or archiving closed case files beyond the five year retention period.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands did not always properly provide proper evidence training to personnel responsible for evidence storage as required by departmental policy.		The commands will provide proper evidence training to personnel involved in handling evidence in order to help them better understand their role in the evidence process.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands did not always properly complete evidence information on the Evidence Property Log (CHP 36B) with the proper authorization.		The commands will record the net and gross weight of controlled and suspected substances on the CHP 36B forms with the proper authorization by the supervisor.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands did not always properly mark and seal their evidence items.		The commands will properly mark and seal their evidence items.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
Several commands did not always conduct a quarterly evidence review/inventory.		The commands will set up a suspense system to ensure a quarterly review/inventory is conducted and each CHP 36 form is authorized by a supervisor.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
In several commands the evidence officer performed multiple jobs and one of the jobs includes working part time in the field. According to departmental policy, the evidence officer should not be an active field officer or investigator involved in collection evidence in the field.		The commands will ensure the evidence officer's assignment is the only special duty position held by the officer.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands stored flammable/explosive evidence items in the evidence rooms.		The commands will store flammable and explosive items at the local fire department, with a local bomb squad or in a storage room separate from the evidence storage facility.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
In several commands, some evidence items were not available for inspection. The items consisted of cash, computer equipment, guns, magazines, ammo, gas can, vehicles, and marijuana.		The commands will ensure each case status is accurately tracked, recorded, and updated in the AIS Log.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands did not always have a system in place to verify if evidence items were destroyed locally or if destroyed at all.		The commands will photograph each evidence item before destruction; the evidence supervisor will witness the destruction; and sign the CHP 36 forms.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands did not always complete the Medical Waste Tracking Form (CHP 36E).		The commands will complete the CHP 36E forms when transporting biological hazardous waste items for destruction.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
Several commands did not always process evidence timely. Specifically, the evidence items were left in temporary locker for longer than allowed by policy.		The commands will process evidence after no more than one day after its submittal for processing, excluding weekends and holiday(s) and they will not temporarily store evidence items in an evidence locker, personal locker or unauthorized location.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands did not always consistently complete the reverse side of the Card Stock (CHP 36C) forms.		The commands will complete the reverse side of the CHP 36C forms whenever custody of evidence is transferred to another party (the CHP 36C will be completed by the transporting employee and signed by the person receiving custody of the evidence).	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.
Several commands expressed concern about the use of the bar code scanner.		The commands will provide bar code scanner training to personnel responsible for evidence storage so they become more familiar with the bar code scanner device.	The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF ACTION/ PLANNED ACTION
<p>Reimbursable Services</p> <p>Several commands did not always ensure the accuracy of their DUI Cost Recovery Program documents.</p>		<p>The commands will itemize the accurate staff hours charged on the Incident Response Reimbursement Statement (CHP 735) with the Daily Field Record (CHP 415).</p>	<p>The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.</p>
<p>Grant Management</p> <p>Several commands did not always properly complete the Price Comparison Worksheet (CHP 315), which could result in excess charges to the CHP.</p>		<p>The commands will obtain at least two price quotes for state purchases and properly complete the CHP 315 forms.</p>	<p>The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.</p>
<p>Several commands did not always properly complete accurate billing memorandums. This could result in inaccurate reconciliation of invoices and contract numbers.</p>		<p>The commands will make sure sequential numbers are accounted for when reconciling invoices with the contract numbers.</p>	<p>The corrective action will be evaluated during a follow-up review by the end of calendar year 2010.</p>

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

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August 27, 2010

File No.: 001.9486.A13471.010

Ms. Ana J. Matosantos, Director
Department of Finance
915 L Street
Sacramento, CA 95814

Dear Director Matosantos:

In accordance with Government Code Section 13405(c), the California Highway Patrol (CHP) is submitting a status report addressing the identified issues reported in the 2009 Financial Integrity and State Manager's Accountability Act review report. The enclosed corrective action plan contains the issues identified, corrective actions taken, corrective actions to be taken, and the date of future planned actions. The CHP plans to have internal auditors, inspectors or Division staff conduct follow-up review by the end of calendar year 2011.

If you have any questions, please contact Captain Bob Jones or Mr. Roger Ikemoto, Senior Management Auditor at (916) 843-3160.

J. A. Farrow
J. A. FARROW
Commissioner

Enclosure

cc: Business, Transportation and Housing Agency
Assistant Commissioner, Field
Assistant Commissioner, Staff
Office of Inspector General, Audits Unit

Name of Department:

California Highway Patrol

August 12, 2010

INTERNAL CONTROL ISSUES MATRIX

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
<p><u>AUDITS</u></p> <p>Cash Receipts</p> <p>Two commands did not always submit Weekly Transmittal Reports (CHP 230) to Fiscal Management Section (FMS) within the required time frames.</p> <p>Three commands did not replenish their petty cash funds when receipts totaled more than \$10; or at a minimum, at least quarterly.</p>	<p>The commands purchased money orders prior to submitting the transmittal for approval and developed a weekly suspense system to complete and submit the CHP 230 forms in a timely manner to FMS. Supervisors ensure now submission of CHP 230 forms.</p> <p>To ensure compliance, the manager conducted spot inspections to ascertain petty cash fund balances to prevent future recurrence of this issue. The supervisor followed-up on a monthly basis to ensure the commands are in compliance.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p> <p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
Two commands did not consistently perform unscheduled petty cash account reconciliations quarterly.	The commands conducted surprise petty cash inspections each quarter. The commands added the "surprise/unannounced" wording to their reporting memorandum for clarification.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Three commands did not always properly complete and maintain all required documents within their CHP 230 files.	A checklist was developed to ensure each step in the CHP 230 process has been completed. Uniformed staff and managers provided policies and procedures training to employees for proper completion and maintenance of CHP 230 forms and supporting documents (e.g., counter receipts, witness fee deposit information, subpoenaed employee's name and identification number, court name, and defendant's or plaintiff name). The command managers and supervisors monitor the CHP 230 process.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
A command allowed more than one person access to the transmittal funds.	The command limited access to transmittal funds to only one person at any one time.	The command is planning to rewrite vague sections of their Standard Operating Procedures (SOP) to ensure clarification regarding accountability of transmittal funds.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Contracts			
Three commands did not always maintain their contract files.	The commands discussed this issue with staff responsible for maintaining copies of contracts and provided training to ensure they comply with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
<p>Seven commands did not always maintain all required information such as the Drug Free Workplace Certification (STD. 21), Payee Date Record (STD. 204), and the Small Business Certification for their emergency service (X - Number) contract files.</p>	<p>The commands developed a checklist to ensure each step in the contract file process has been completed. The commands also created a binder to be kept in the clerical unit for all records pertaining to contracts. The commands utilize an X-Number checklist for proper completion of the contract file that will be routed through the chain-of-command for approval; a copy of all paperwork is maintained in the command's Administrative files; and the manager directs all supervisors to review vendor information and adhere to retention requirements contained in departmental policy. Additionally, the Clerical Unit supervisor ensures completed forms are obtained from the vendor prior to approval of the X - Number Service Order (CHP 78X).</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
<p>Three commands obtained services prior to the approval of the non-emergency contracts and X-number contracts.</p> <p>Evidence</p> <p>A command did not properly process documents within the required time frame such as a court officer not providing adjudicated court records to the command's evidence office in a timely manner.</p>	<p>The commands provided training to personnel responsible for X-Number contracts form preparation.</p> <p>The command worked with the courts to develop a system of notification to ensure proper processing of documents within the required time frame.</p>	<p>The commands will update their SOP to reflect the proper timeline required to ensure all standard contracts are processed correctly and all contract requests (CHP 78) will be submitted nine months prior to a project's start date and suspended until the signed Standard Agreement (STD 213) and Agreement Summary (STD 215) documents are received from the Contract Services Unit.</p>	<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p> <p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
A command did not identify a storage location for flammable and explosive evidence items.		The command is researching the possibility of reconfiguring a section within one of their locked containers located on the premises to utilize in the event storage of flammable and explosive evidence is needed. The command does not currently hold any items in evidence that meets the flammable and explosive criteria.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not properly update and maintain its evidence database.	The command expanded the use of the Area Information System (AIS) database and began to update and streamline its evidence process.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
A command's disposal of an evidence item (gun) was not in compliance with departmental policy and it did not maintain a control log for weapons disposal.	The command ensures all weapons eligible for destruction are sent to the Academy Weapons Control Unit within the last month of each quarter as described in policy. The command also developed a control log for weapon (gun) disposal. The command closely monitors weapons eligible for destruction and the status of the control log during the Quarterly Area Evidence reviews.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
<p>Purchasing</p> <p>Six commands did not always update and maintain their memorandums designating staff authorized to approve Purchase Requisition (CHP 43).</p>	<p>The commands are using a new program where the approvers are preprogrammed into the system. Additionally, the commands implemented a suspense system to track the designated staff authorized to approve purchases. A memorandum was prepared when the designated staff authorized to approve purchases change. Additionally, a procedural memorandum stating the commander or designated staff's signature is required for all purchase requests. This memorandum is updated quarterly as a suspense item.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
Four commands did not always maintain all of their purchase order files.	The commands began placing a hard copy of the CHP 43 into the Administrative Assistant's office binder. An electronic copy of the CHP 43 is kept on file. Also, the commands ensure supporting documents are attached to each purchase order and copies of all paperwork is maintained in the commands' Administrative files.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
<p>Reimbursable Services, Driving Under the Influence (DUI) Cost Recovery Program</p> <p>Five commands did not always ensure the accuracy of their DUI Cost Recovery Program documents.</p>	<p>The commands implemented an additional level of review by requiring a Sergeant to review the DUI forms (e.g., CHP 735 and CHP 415). The documents are also reviewed by the Commander or Executive Lieutenant when signing the CHP 735 for transmittal. The commands also revised their SOP and provided training to officers to ensure compliance with departmental policy by attaching a copy of all CHP 415 associated with each CHP 735. The commands implemented a program-checklist procedure to ensure accuracy of the DUI Cost Recovery documents.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
A command did not always submit DUI Cost Recovery billing packages (CHP 735) timely to FMS.	The command discussed proper procedures and timely submission of the CHP 735 at their quarterly meeting. They also created a matrix to track the pending cases to ensure all CHP 735s are completed in a timely manner.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Reimbursable Services, Wide Load Escort Services			
A command provided Wide Load Escort reimbursable services without obtaining advance payment from vendors prior to providing services.	The command provided training to staff to ensure compliance with departmental Wide Load Escort Services policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not always submit Wide Load Escort reimbursable services billing packages to FMS in a timely manner.	The command provided training to staff to ensure compliance with departmental billing package submission policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not always maintain complete or accurate Wide Load Escort reimbursable services files.	The command provided training to ensure compliance with departmental Wide Load Escort reimbursable services files policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
Asset Forfeiture			
Two commands did not provide Asset Forfeiture training to affected personnel at least once a year.	The commands provided annual Asset Forfeiture training to all affected command staff (uniformed and affected non-uniformed personnel).		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not prepare quarterly Asset Forfeiture reports and did not submit them to their respective Division.	The command took corrective measures to ensure quarterly reports are prepared and submitted to their Division.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not properly review or authorize the Asset Forfeiture Log.	The command took corrective measures to ensure the Asset Forfeiture Log is properly reviewed or authorized.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not always forward Asset Forfeiture case file documents in a timely manner to their respective Division.	The command took corrective measures to ensure the Asset Forfeiture case files are forwarded to Division in a timely manner.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
Fleet Operations			
A command did not always consistently perform a 5,000-mile inspection of each vehicle according to policy.	The command provided training to both the Administrative Lieutenant and Automotive Technicians to ensure the command's Fleet Operations 5,000 mile inspections are compliant with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command supervisor or commander did not review or sign the Automotive Delegation Control Log (CHP 316A) forms.	The command supervisor or commander were reminded to review and sign the CHP 316A forms to ensure compliance with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
A command did not perform a regular inspection to locate any leaks in the gasoline dispenser, the water and air wells, and the paved areas adjacent to the service station.	The command provided training to both the Administrative Lieutenant and Automotive Technicians to ensure the command performs Fleet Operations inspections to locate leaks and ensure the paved areas adjacent to the service station are compliant with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command's Emergency Action Plan (EAP) did not contain a backup plan to obtain a ready source of fuel if its fuel dispenser becomes inoperable.	The command updated its EAP advising personnel to fuel at the command's Fleet Operations or other commands, whichever is closest to their location, in the event the fueling system at their command fails.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command's SOP did not include gasoline and fuel safety guidelines.	The command added the required information during the revision to the command's SOP.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
A command did not maintain a monthly gasoline summary.	The command provided training to both the Administrative Lieutenant and Automotive Technicians to ensure the command maintains a monthly gasoline summary compliant with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
Four commands did not perform a quarterly physical inventory of all vehicle parts, accessories, and fluids.	The commands provided training to both the Administrative Lieutenant and Automotive Technicians to ensure the command performs a quarterly physical inventory of all vehicle parts, accessories, and fluids that is compliant with departmental policy.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not always dispose of the accumulated vehicle junk batteries in a timely manner.	The command took corrective measures and implemented departmental policy that no more than five vehicle junk batteries can be accumulated before being disposed.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
A command did not have adequate controls over its distribution of gasoline.		The command will install cardreaders on each pump allowing gasoline dispensing only when a card assigned to a departmental vehicle is used.	The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not always maintain the Driver's Equipment Check (CHP 33) forms for its vehicle fleet.	The command provided training to affected personnel related to maintaining CHP 33 forms for its vehicle fleet.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command did not have the county perform flow testing of the command's fuel pumps.	The command prepared a new suspense form to ensure the Automotive Service Mechanic contacts the county annually to perform flow testing of the command's fuel pump.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.
A command's Vehicle Allocation (CHP 468) packages were not completed or forwarded annually to the Fleet Operations Section.	The command completed the CHP 468 and submitted it to the Division no later than June 1st each year.		The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
<p>Personnel Records</p>			
<p>Two commands did not always review their employees' records annually.</p>	<p>The command developed a suspense system to e-mail the responsible supervisor with a carbon copy to the Area Commander when a personnel evaluation is due. The e-mail also indicates the date the evaluation must be completed and submitted for review by the Commander. Additionally, the command staff now maintain a monthly roster of employees by anniversary date to ensure evaluations are completed on time. The list is updated on a monthly basis and reported to the Commander.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>
<p>Four commands did not always replace employee's photographs with updated photographs every five years within their personnel files.</p>	<p>The commands' supervisors are now using the Annual Field Personnel Form (CHP 137C) to ensure employees' photographs are updated every five years.</p>		<p>The corrective action will be evaluated during the audit follow-up review by the end of calendar year 2011.</p>

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
<u>INSPECTIONS</u>			
Evidence			
Several commands did not always purge their evidence items (e.g., unclaimed property, unclaimed monies) in a timely manner.	Some commands have purged their evidence items in a timely manner.	Two commands are working on purging their items timely. One command is working with their County District Attorney, whose court records were destroyed in a 2001 arson fire. The other command is current, except for one item that cannot be returned to an incarcerated individual and the family refuses to take custody.	The corrective action will be implemented by the end of calendar year 2010.
Several commands did not always purge their firearms for destruction in a timely manner.	Commands purged their firearms for destruction in a timely manner.		The commands have fully implemented corrective actions for this issue.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
Several commands did not always properly package and store evidence items (e.g., controlled substances). The evidence items that are not properly packaged can cause serious health threats.	Commands properly packaged and stored evidence items (e.g., controlled substances).		The commands have fully implemented corrective actions for this issue.
Several commands did not always properly complete, update, and maintain accurate AIS Logs evidence records.	Commands have properly completed, updated, and maintained accurate AIS Logs evidence records.		The commands have fully implemented their corrective actions for this issue.
Several commands did not always properly provide proper evidence training to personnel responsible for evidence storage as required by departmental policy.	Commands now provide proper evidence training to personnel responsible for evidence storage as required by departmental policy.		The commands have fully implemented corrective actions for this issue.
Several commands did not always properly complete evidence information on the Evidence Property Log (CHP 36B) and receive the proper authorization.	Commands now complete evidence information on the CHP 36B and now receive the proper authorization.		The commands have fully implemented corrective actions for this issue.
Several commands did not always properly mark and seal their evidence items.	Commands now properly mark and seal evidence items.		The commands have fully implemented corrective actions for this issue.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
Several commands' evidence officers performed multiple jobs. One of the jobs was working part time in the field. According to departmental policy, the evidence officer should not be an active field officer or investigator involved in collecting evidence in the field.	The commands' evidence officers no longer work in the field as an active field officer or investigator.		The commands have fully implemented corrective actions for this issue.
Several commands stored flammable and explosive evidence items in the evidence rooms.	Commands no longer store flammable and explosive evidence items in the evidence rooms.		The commands have fully implemented corrective actions for this issue.
In several commands, some evidence items were not available for inspection. The items consisted of cash, computer equipment, guns, magazines, ammunition, gas cans, vehicles, and marijuana.	All commands now ensure all evidence items are available for inspection.		The commands have fully implemented corrective actions for this issue.
Several commands did not always have a system in place to verify if evidence items were destroyed locally or at all.	Commands have developed and administer a system to verify if evidence items are destroyed locally or at all.		The commands have fully implemented corrective actions for this issue.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
Several commands did not always complete the Medical Waste Tracking Form (CHP 36E).	Commands now complete the CHP 36E forms.		The commands have fully implemented corrective actions for this issue.
Several commands did not always process evidence in a timely manner. Specifically, the evidence items were left in a temporary locker for longer than allowed by policy.	All commands now process evidence in a timely manner and do not leave evidence in temporary lockers longer than permitted by policy.		The commands have fully implemented corrective actions for this issue.
Several commands need facility renovations to accommodate temporary evidence lockers or exhaust fans.		Commands will be working with Facilities Section to make modifications.	Modifications are pending budgetary funding availability.
Several commands require minor renovations to their evidence rooms (e.g., deadbolt lock installed, hinges reversed or locks).		Commands will be working with Facilities Section to make modifications.	Modifications are pending budgetary funding availability.
Several commands did not always consistently complete the reverse side of the Card Stock (CHP 36C) forms.	All commands are now consistently completing the reverse side of the CHP 36C forms.		The commands have fully implemented corrective actions for this issue.

CONTROL ISSUES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	DATE OF FUTURE PLANNED ACTIONS
Several commands did not always use the bar code scanner.	Commands are now using the bar code scanner.		The commands have fully implemented corrective actions for this issue.
Reimbursable Services			
Several commands did not always ensure the accuracy of their DUI Cost Recovery Program documents.	Commands are now ensuring the accuracy of their DUI Cost Recovery Program documents.		The commands have fully implemented corrective actions for this issue.
Grant Management			
Several commands did not always properly complete the Price Comparison Worksheet (CHP 315), which could result in excess charges to the CHP.	Commands are now properly completing the CHP 315 form.		The commands have fully implemented corrective actions for this issue.
Several commands did not always complete accurate billing memorandums.	Commands are now completing accurate billing memorandums.		The commands have fully implemented corrective actions for this issue.
A command did not always annotate time sheets, submit documents timely, and curtail overtime.	The command is now closely monitoring these activities.		This command has fully implemented corrective actions for this issue.